

FREQUENTLY ASKED QUESTIONS (FAQs)

Bank Indonesia Regulation No.12/22/PBI/2010 dated December 22, 2010

concerning Money Changer

Q. What is the background to the issuance of this Bank Indonesia Regulation?

A. This PBI is issued in the context of adding the type of business activities conducted by Non-Bank Money Changer (Non-Bank PVA), namely to be able to engage in Money Remittance Business Activity by first applying for a permit to Bank Indonesia. As money remittance activity is closely related to money exchange activity, this is able to enhance transaction efficiency.

Q. What are the types of Money Changer?

A. Money Changer consists of:

1. Non-Bank Money Changer (Non-Bank PVA)
2. Bank Money Changer (Bank PVA)

Q. What business activities are conducted by Money Changer?

A. Business activities conducted by Money Changer consist of:

1. Banknotes (UKA) sale and purchase;
2. Traveler's Cheque (TC) purchase;
3. In addition to the foregoing business activities, Non-Bank Money Changer (Non-Bank PVA) is able to engage in money remittance business activity.

Q. What is referred to as Money Remittance?

- A. Money remittance is an activity conducted by money remittance provider to execute unconditional instruction from a sender to money remittance provider to remit money to a beneficiary.

Q. Which activities are prohibited for Money Changer?

- A. Money Changer (PVA) shall be prohibited from:
- a. acting as sales agent for traveler's cheque (TC);
 - b. conducting margin trading, spot, forward, swap activities and other derivative transactions; and/or
 - c. conducting business activities other than those related to the sale-purchase of Banknotes, TC purchase and money remittance.

Q. What is the paid up capital requirement to establish a Non-Bank Money Changer (Non-Bank PVA)?

- A. The minimum paid up capital to establish a Non-Bank Money Changer (Non-Bank PVA) is stipulated as follows:
- a. Rp250,000,000.00 (two hundred and fifty million Rupiah), for Non-Bank Money Changer (Non-Bank PVA) established in the area of DKI Jakarta, Denpasar and Badung, as well as Batam Municipalities; or

- b. Rp100,000,000.00 (one hundred million Rupiah), for Non-Bank Money Changer (Non-Bank PVA) established in areas other than those mentioned in point a.

Paid up capital to establish a Non-Bank Money Changer (Non-Bank PVA) shall not derive from and/or shall not for the purpose of money laundering.

Q. What are the requirements to be fulfilled for serving as the members of the Board of Directors and the Board of Commissioners of Non-Bank Money Changer?

- A.
1. Indonesian citizen;
 2. not recorded in the national blacklist of bounced giro biljet and/or cheque drawee;
 3. not included in the list of bad debt administered in the credit information system at Bank Indonesia;
 4. never been sentenced for being proven to have committed a criminal act in the banking and financial sectors within the last 2 (two) years under a court decision having a permanent legal force;
 5. never been sentenced for being proven to have committed a criminal act of money laundering within the last 2 (two) years under a court decision having a permanent legal force;
 6. never serving as the shareholder, the member of the Board of Directors or the Board of Commissioners of a limited liability company engaging in business activity as Money Changer whose business license is revoked by Bank Indonesia due to violation,

during 2 (two) year-tenure prior to the date of submission of application; and

7. having a commitment to perform the duties and obligations in engaging in business activities based on the provisions on money Changer and other applicable laws and regulations.

Q. What are the requirements to be fulfilled for serving as the shareholder of Non-Bank Money Changer (Non-Bank PVA)?

- A.
 1. Individual Indonesian citizen and/or Indonesian legal entity;
 2. not recorded in the national blacklist of bounced giro biljet and/or cheque drawee;
 3. not included in the list of bad debt administered in the credit information system at Bank Indonesia;
 4. never been sentenced for being proven to have committed a criminal act in the banking and financial sectors within the last 2 (two) years under a court decision having a permanent legal force;
 5. never been sentenced for being proven to have committed a criminal act of money laundering within the last 2 (two) years under a court decision having a permanent legal force; and
 6. having a commitment to comply with the governing provisions on money Changer and other applicable laws and regulations.

Q. Can Money Changer business license be transferred to another entity?

A. No, transferring Money Changer business license to another entity is prohibited.

Q. When is the applicant for Non-Bank Money Changer (Non-Bank PVA) business license declared revoking its application?

A. In the event that the Board of Directors, the Board of Commissioners and the shareholders of the applicant for Non-Bank Money Changer (Non-Bank PVA) business permit fail to attend counseling session on provisions relevant to Money Changer up to the time limit set by Bank Indonesia.

Q. What matters should be taken into account by Non-Bank Money Changer (Non-Bank PVA) in the event that it intends to apply for a permit to engage in money remittance business activity?

A. Non-Bank Money Changer (Non-Bank PVA) is required:

- a. to make an adjustment to the policies and procedures for the application of APU and PPT programs by incorporating APU and PPT policies and procedures for money remittance business activity.
- b. to take into account requirements for filling an application for permit to engage in money remittance business activity as set forth in Bank Indonesia provisions regulating money remittance business activity.
- c. to comply with Bank Indonesia provisions regulating Non-Bank Money Changer (Non-Bank PVA) conducting money remittance business activity.

Q. Can an applicant apply for Non-Bank Money Changer (Non-Bank PVA) business permit in parallel with a permit to engage in money remittance business activity?

A. Yes, the applicant can submit an application for Non-Bank Money Changer (Non-Bank PVA) business permit in parallel with a permit to engage in Money Remittance business activity by fulfilling the requirements as referred to in the regulating Bank Indonesia provisions on money Changer and the regulating Bank Indonesia provisions on Money Remittance business activity. The parallel submission of application for such business permits excludes the timeframe for the granting of permit or written rejection of application for Money Remittance business activity permit as set forth in provisions on Money Remittance business activity.

Q. Is Money Changer required to submit periodical reports to Bank Indonesia and what reports must be submitted?

A. Yes, a Money Changer is required to submit periodical reports to Bank Indonesia, including:

1. Business activity report consisting of Banknotes sale and purchase as well as TC purchase transaction accounts and money remittance report for Non-Bank Money Changer (Non-Bank PVA) engaging in Money Remittance Business Activity.
2. Financial statements

Q. What is the timeframe for a Money Changer to submit periodic reports?

- A.
1. Bank and Non-Bank Money Changers (Non-Bank PVA) are required to submit Business Activity Report on a quarterly basis by no later than the end of the following month.
 2. Non-Bank Money Changers (Non-Bank PVA) engaging in money remittance business activity are required to submit Business Activity Report on a monthly basis by no later than the end of the following month.
 3. Non-Bank Money Changers (Non-Bank PVA) are required to submit financial statements by no later than the end of March in the following year.

Q. What happen to the application for Money Changer business permit filed by the applicant prior to the coming into effect of this Bank Indonesia Regulation?

- A. Application for Non-Bank Money Changer (Non-Bank PVA) business permit received by Bank Indonesia prior to the coming into effect of this Bank Indonesia Regulation will be processed in accordance with Bank Indonesia Regulation No. 9/11/PBI/2007 dated September 5, 2007 on Money Changer.